

## MEMORANDUM OF AGREEMENT

**THIS MEMORANDUM OF AGREEMENT** is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2007, between the **LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT**, a political subdivision of the Commonwealth of Kentucky (the “Metro Government”), and **VG REED & SONS, INC.** (the “Borrower”) a corporation, organized and existing under the laws of the Commonwealth of Kentucky, under the following circumstances:

A. The Borrower desires to finance the acquisition, equipping and installation of an 8 Color Press to be located at 1002 South 12<sup>th</sup> Street, Louisville, Kentucky (the “Project”) within the boundaries of the Metro Government.

B. The Borrower has evidenced a desire to have the costs of acquiring and rehabilitating the Project financed with the proceeds of adjustable rate demand industrial building revenue bonds (the “Bonds”) issued by the Metro Government, in an aggregate principal amount not to exceed Two Million Six Hundred Thousand Dollars (\$2,600,000).

C. The Project consists of an industrial building suitable for use in the furtherance of the corporate purposes of the Borrower pursuant to Section 103.200 (1)(c) and (d) of the *Kentucky Revised Statutes*, as amended.

D. In order to further the corporate purposes of the Borrower, the Metro Government desires to encourage and induce the Borrower to proceed with the Project.

**NOW, THEREFORE**, the Metro Government and the Borrower agree as follows:

1. At the request of the Borrower, and subject to the conditions set forth herein, the Metro Government will enact the necessary ordinances or resolutions to authorize the issuance of the bonds and execution on its behalf of such documents as shall be approved by Peck, Shaffer & Williams LLP, as Bond Counsel, the Jefferson County Attorney’s Office as Counsel for the Louisville/Jefferson County Metro Government, the purchaser(s) of the Bonds, the Borrower and the respective counsel to such parties. The Metro Government will deliver the Bonds to the purchaser(s) thereof and will cooperate to the fullest extent in consummating the transaction.

2. Pending issuance of the Bonds, the Borrower will provide without expense to the Metro Government any necessary interim financing for the Project. The Borrower also agrees that upon issuance of the Bonds for the Project it will enter into an agreement (the “Loan Agreement”) with the Metro Government providing for the payment by the Borrower of amounts sufficient to pay when due the principal of and premium, if any, and interest on the Bonds. The Metro Government shall have no financial responsibility with respect to the Bonds or the Project except from the proceeds of the Bonds or revenues produced pursuant to the Loan Agreement. No taxes shall be levied for payment of the Bonds, nor shall the Bonds constitute a pledge upon the faith and credit of the Metro Government.

3. If the Borrower abandons the Project, it shall notify the Metro Government, whereupon this Memorandum of Agreement shall terminate. Additionally, this Memorandum of Agreement shall terminate either (i) upon the issuance of the Bonds; or (ii) one year from the date of execution by the Metro Government. Upon any termination of this Memorandum of Agreement under this paragraph, neither the Metro Government nor the Borrower shall have any

further rights or obligations hereunder, except that the obligations of the Borrower under paragraph 6 hereof shall survive any such termination.

4. The Borrower agrees to pay all taxes it is legally obligated to pay.

5. The Metro Government shall not be obligated to issue the Bonds until and unless the Project has received written approval for insurance, credit enhancement and/or third party guarantees. Alternatively, another bond structure, satisfactory to the Metro Government at its sole discretion, may be utilized. Any approval of the Metro Government may be evidenced by the Metro Governments adoption or passage of an ordinance or resolution authorizing the issuance of the Bonds.

6. In order to induce the Metro Government to execute and deliver this Memorandum of Agreement, the Borrower hereby agrees to defend, indemnify and hold the Metro Government and its officials harmless against any and all loss, cost, expense, claims or actions arising out of or connected with or the execution and delivery of this Memorandum of Agreement and the consummation of the transactions provided for herein and contemplated hereunder. The provisions of this paragraph shall be superseded by a similar agreement by the Borrower in the Loan Agreement.

**IN WITNESS WHEREOF**, the Metro Government, pursuant to a Resolution duly adopted by its Fiscal Court, has caused this Memorandum of Agreement to be executed by its Mayor, and the Borrower has duly executed this Memorandum of Agreement, as of the day and year first above written.

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Jerry Abramson  
Mayor

**APPROVED AS TO FORM AND  
LEGALITY**

Irv Maze  
Jefferson County Attorney

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By: James T. Carey  
Assistant County Attorney

**VG REED & SONS, INC.**

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By:  
Title:

Dated: \_\_\_\_\_, 2007